

## SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION (SAMHSA)

(Dollars in millions)

	<u>1995</u> <u>Actual</u>	<u>1996</u> <u>Policy*</u>	<u>1997</u> <u>Request</u>	<u>Request</u> <u>+/-Policy</u>
Program Level/BA ....	\$2,195	\$1,854	\$2,098	+\$244
Outlays .....	2,444	2,105	2,024	-81
FTE ...	649	649	649	0

\* Based on levels of the ninth CR, including an incremental policy adjustment.

### **Summary**

The FY 1997 budget request for the Substance Abuse and Mental Health Services Administration (SAMHSA) totals \$2.1 billion. This request will provide important substance abuse and mental health services to thousands of pregnant women and their children, high risk youth, and other underserved Americans. SAMHSA is the Department's lead agency for mental health and substance abuse treatment and prevention. Given the heightened attention to the drug abuse prevention and treatment needs in the country, SAMHSA has devoted considerable effort to identify the most effective and efficient treatment and prevention programs and disseminate that knowledge to the States through the Substance Abuse Performance Partnership Block Grant.

The FY 1997 budget continues to pursue State Performance Partnerships in the mental health and substance abuse areas. While similar in concept to the current block grant program, the Performance Partnerships will require fewer earmarks, increase State flexibility, and increase emphasis on outcomes. In addition, SAMHSA will provide support to a wide array of demonstration efforts through the Knowledge Development and Application (KDA) program. New focuses in FY 1996 and FY 1997 will include: managed care, early childhood, emerging issues, co-occurring disorders, criminal justice, changing systems, and practice standards and guidelines.

### **Making Substance Abuse Prevention and Treatment Work**

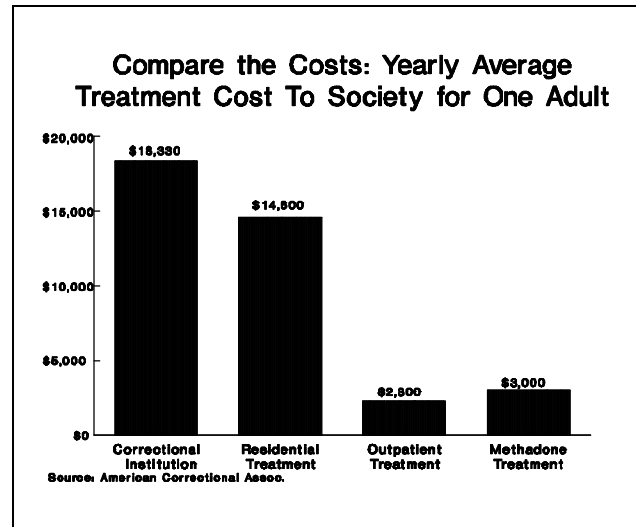
The annual cost of substance abuse in the United States--in terms of unnecessary health care, extra law enforcement activity, auto crashes, crime, and lost productivity--is more than \$166 billion. The chronic drug user accounts for the bulk of illicit drugs consumed, and is a significant contributor to crime and violence. These statistics are indicative of a compelling need to identify effective and efficient approaches to address the nation's most costly public health problems. To respond to this crisis, SAMHSA's FY 1997 budget focuses on the

treatment of substance abusers--with a special focus on groups which use a significant share of treatment resources, contribute disproportionately to the societal costs of drug abuse, and for whom little improvement has been made.

The FY 1997 request for substance abuse prevention and treatment totals \$1.6 billion.

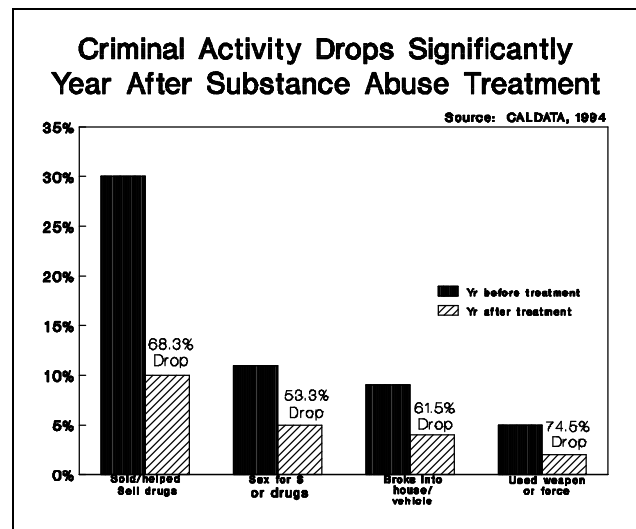
This includes \$1.3 billion for the Substance Abuse Performance Partnership Block Grant. This program will give States maximum flexibility to develop treatment systems that ensure access, quality, and improved outcomes for substance abusers,

particularly in areas of high incidence and prevalence. The FY 1997 request also provides a total of \$352 million for substance abuse prevention and treatment demonstration activities. New funding for treatment demonstrations will address issues that enhance access to drug treatment through managed care, client and family-oriented substance abuse services, and effective drug treatment.



SAMHSA funded programs have had great success at minimizing the costs to society as a result of effective and efficient treatment and prevention services for substance abusers. For example, SAMHSA's Center for Substance Abuse Treatment (CSAT) has used discretionary grants to support a range of programs that have shown results. In California, a study of treatment effectiveness showed significant decreases in criminal activity after treatment for alcohol and other drug abuse disorders: \$7.14 in savings for every dollar invested in treatment. In Colorado, a follow-up study found that of the clients who had been arrested in the two years prior to treatment

admission, 94 percent had not been rearrested for driving under the influence and about 80 percent had no arrests for other offenses during the follow-up period. Finally, the Miami Coalition for a Drug Free Community used SAMHSA funds to support collaboration between law enforcement and family/neighborhood task forces that were instrumental at reducing crime by 24 percent, making over 8,000 arrests, and identifying and destroying crack houses.



## **Mental Health Services**

SAMHSA's FY 1997 budget request of \$419 million supports the Federal Government's role in the generation of knowledge and dissemination of research results on improving access to quality mental health services. The FY 1997 request maintains most Center for Mental Health Services (CMHS) programs at the FY 1995 enacted level. Included in the request is \$275 million for the Mental Health Performance Partnership Block Grant. Most of the funding will be used to support existing grants. An additional \$10 million over the FY 1995 enacted level is requested to fund FY 1997 Knowledge Development and Application (KDA) activities relating to mental health.

## **Future Plans--Managed Care Initiative**

In 1995, nearly 60 percent of Americans (107 million) with private health insurance were enrolled in some type of specialty managed behavioral health program. States are moving aggressively to place large numbers of persons who have no private health insurance into mandatory managed care plans. For persons with mental illness and substance abuse disorders, the rapid growth of managed care is profoundly altering the public and private substance abuse and prevention system. The extent and impact of these changes has not been measured.

In 1997, SAMHSA will continue to expand a managed care initiative to address the needs and concerns of the mentally ill and those with substance abuse problems. SAMHSA will target at least \$20 million of FY 1997 Knowledge Development and Application (KDA) funding resources to managed care issues. These initiatives include: improving quality, monitoring and reporting; establishing quality and performance measures; strengthening public-private partnerships; improving consumer information; streamlining administrative processes; and enhancing programs geared toward the special needs of this vulnerable population.

Studies within the publicly funded managed care network have shown signs of some success. For example, the Massachusetts Medicaid program has reduced costs by 22 percent below projections, based on past experience. The managed care vendor achieved savings by diverting hospital admissions to outpatient care, and by negotiating substantial price reductions with hospitals. For persons with substance abuse disorders, inpatient hospital treatment was cut by 61 percent, while treatment in freestanding detoxification centers, methadone counseling, and dosing increased substantially. The challenge here is to ensure that the goals of quality and access are not sacrificed and savings are achieved through a managed care system.

## SAMHSA OVERVIEW

(Dollars in millions)

	1995 <u>Actual</u>	1996 <u>Policy*</u>	1997 <u>Request</u>	Request <u>+/-Policy</u>
<u>Substance Abuse:</u>				
Prevention KDA .....	\$238	\$106	\$176	+\$70
Treatment KDA .....	216	106	176	+70
Performance Partnership Grant	1,234	1,205	1,272	+67
Treatment Capacity Expansion	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal, Substance Abuse	\$1,695	\$1,417	\$1,624	+\$207
<u>Mental Health:</u>				
Mental Health KDA .....	\$52	\$37	\$62	+\$25
Training and AIDS Training .....	1	1	0	-1
Children's Mental Health .....	60	59	60	+1
Performance Partnership Grant ....	275	264	275	+11
Homeless PATH Grants ..	29	0	0	0
Protection and Advocacy ..	<u>22</u>	<u>20</u>	<u>22</u>	<u>+2</u>
Subtotal, Mental Health .....	\$439	\$381	\$419	+\$38
Program Management.....	\$61	\$56	\$55	-\$1
<i>Forfeiture Fund (non-add).....</i>	<u>(14)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total, BA ....	\$2,195	\$1,854	\$2,098	+\$244
FTE .....	649	649	649	0

\* Based on levels of the ninth CR, including an incremental policy adjustment. The Policy Level also reflects the \$200 million transfer proposed by the Senate from the Safe and Drug Free Schools Act program of the Department of Education for youth substance abuse prevention programs in schools and communities.